Total wages and salaries reached a seasonal high of $99.5 billion in March

Media Release

Released 21/05/2024

Source: Monthly Employee Earnings Indicator, October 2023 to March 2024

In March 2024, total wages and salaries paid by employers rose 2.1 per cent or $2.1 billion from February 2024, according to figures released today by the Australian Bureau of Statistics (ABS).

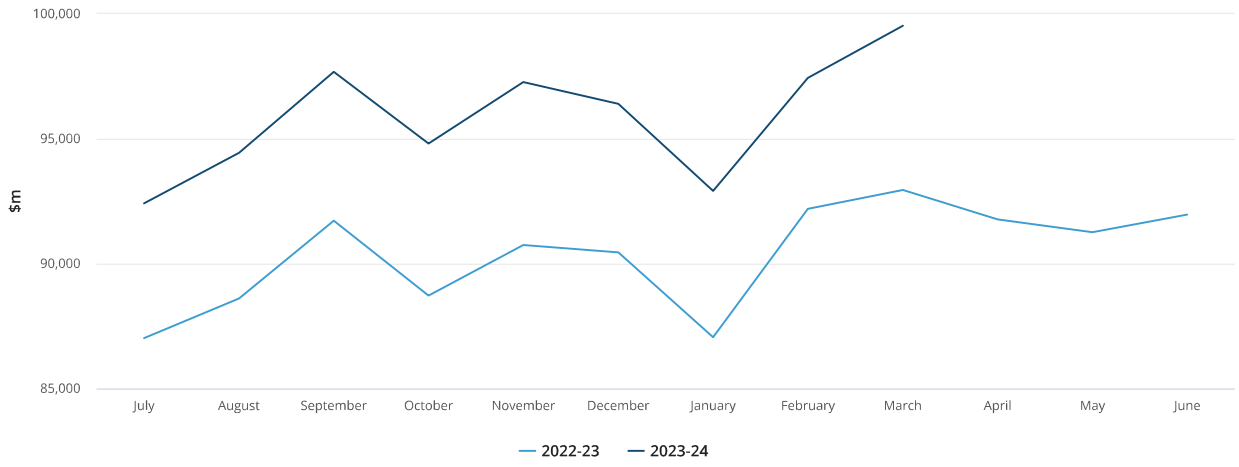
Bjorn Jarvis, ABS head of labour statistics, said: "Total wages and salaries were $99.5 billion in March 2024, up 7.1 per cent from $92.9 billion in March 2023.

"This annual growth rate reflects the combined effects of changes over the year in underlying wage growth, hours worked, periodic payments like bonuses, and employment growth seen in other ABS labour statistics.

"March is a time of the year when a range of industries pay periodic bonuses, which means it's usually a seasonal high in the financial year. This is where this monthly data, which is still relatively new and produced using Single Touch Payroll data fro the Australian Taxation Office, gives us new insights."

Feedback

Wages and salaries paid by employers (a)



a. The leap year day alters the seasonal change in February and March 2024 in these estimates. For more information see the leap year effect section within Factors affecting interpretation. (/methodologies/monthly-employee-earnings-indicator-methodology/october-2023-

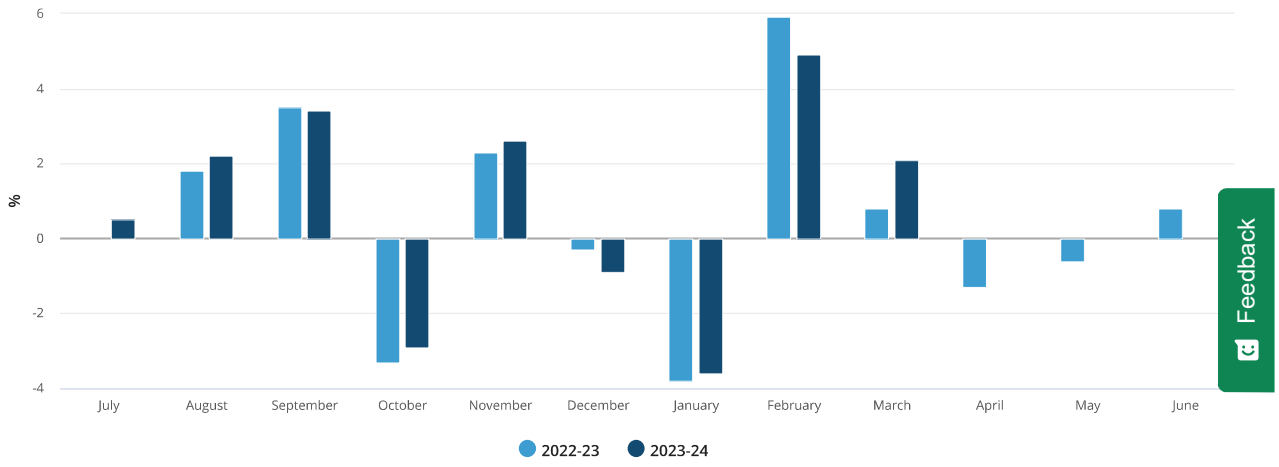
march-2024#factors-affecting-interpretation)

All estimates in the release are calendar-adjusted, enabling the comparisons of monthly data until there is sufficient data to produce seasonally adjusted series.

Given 2024 is a leap year, the extra day in February effectively reduces the calendar-adjusted earnings of monthly salaried employees by around 3.6 per cent (as they receive the same base salary each month, regardless of the number of days).

This means, when comparing the monthly change estimates in 2024 to 2023, the January to February 2024 movement will be weaker and the February to March 2024 movement stronger.

Wages and salaries paid by employers, month change (a)



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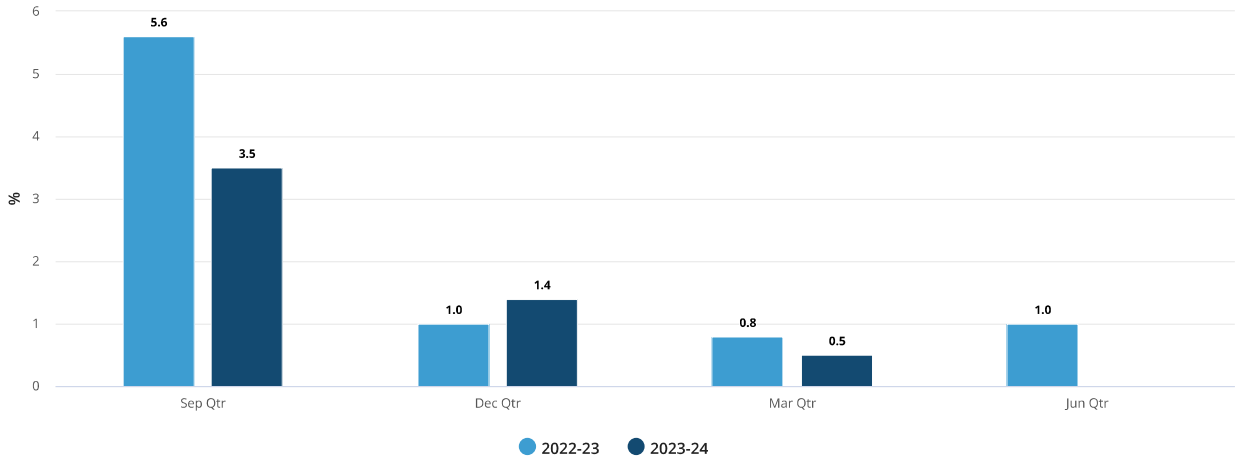
“Until we produce seasonally adjusted figures, comparing estimates over a longer period such as a quarter can help with interpretation and provide a clearer view of underlying growth.

“In quarterly terms, total wages and salaries paid by employers saw slower growth in the March quarter 2024 of 0.5 per cent (+$1.4 billion) compared to the March quarter 2023, which rose 0.8 per cent (+$2.3 billion),” Mr Jarvis said.

Wages and salaries paid by employers, quarter change



Industry insights

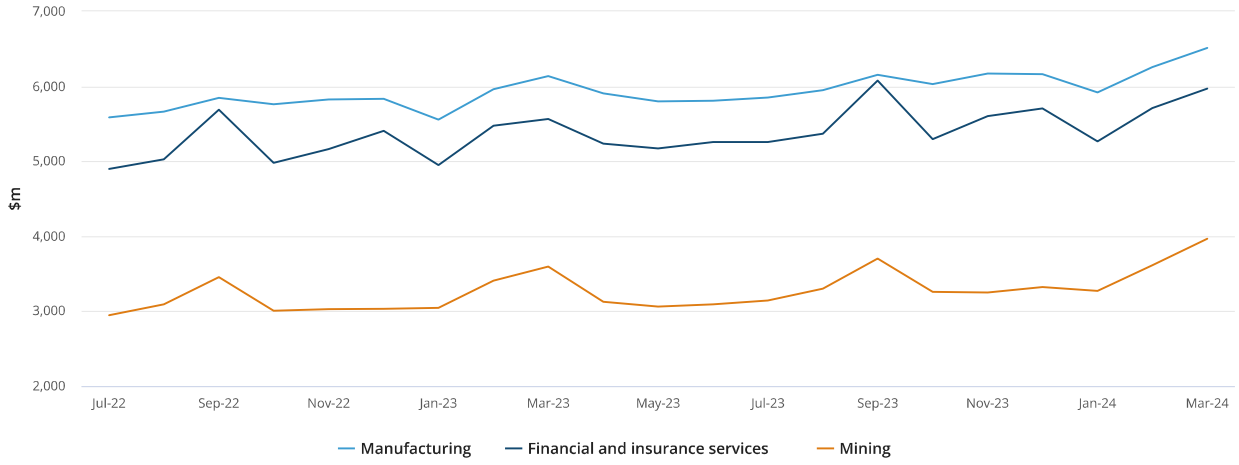
Wages and salaries paid by employers rose in 15 of 19 industries between February and March 2024, reflecting the seasonal high in wages and salaries from periodic bonuses.

In March 2024, one fifth (20 per cent) of the $2.1 billion rise was paid to employees in the Health care and social assistance industry (+$415 million), which holds 14 per cent of total wages and salaries.

Around two fifths (42 per cent or $869 million) of the rise in the month of March 2024 largely related to periodic bonuses paid within the Mining, Financial and insurance services and Manufacturing industries.

Wages and salaries paid by employers, selected industries (a)

Feedback



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In the year to March 2024, wages and salaries paid by employers rose in 18 of 19 industries. The largest growth, in dollar terms, was in Health care and social assistance (+$1.6 billion or 12.6 per cent), Public administration and safety (+$716 million or 10.1 per cent), Professional, scientific and technical services (+$534 million or 5.2 per cent), and Education and training (+$534 million or 7.7 per cent).

Together, these four industries account for around 40 per cent of total wages and salaries paid by employers and over half (51 per cent) of the increase in the year from March 2023 to March 2024.

These four industries also include a high proportion of public sector wages and salaries, which grew by 10.3 per cent over the year.

State and territory insights

Wages and salaries paid by employers rose in all states and territories between February and March 2024. One third (33 per cent) of wages and salaries paid by employers were in New South Wales, which saw the largest growth in dollar terms (+$560 million or 1.7 per cent) from February 2024.

Western Australia saw the largest proportional rise from February 2024, of 3.9 per cent (+$445 million). This reflected periodic bonuses paid in the Mining industry, which is a large employer in the state.

New South Wales had the highest annual rise of $1.9 billion (+6.2 percent), between March 2023 and March 2024.

The highest annual growth rates were in Tasmania (+10.2 percent or $160 million) and the Australian Capital Territory (+10.1 per cent or $258 million). This included the effects of wage policy changes and new enterprise agreements in Commonwealth and state public sector agencies.

Media notes

Feedback

- Wages and salaries paid by employers are not seasonally adjusted, which generally requires at least three years of reasonably stable data. The longstanding seasonally adjusted Labour Force statistics series can aid in the interpretation of labour statistics across periods of greater seasonality.
- For more information on the effect of the leap year day, see the leap year effect section in the methodology. (/methodologies/monthly-employee-earnings-indicator-methodology/october-2023-march-2024#factors-affecting-interpretation)
- The ABS acknowledges the continued support of the ATO in enabling the ABS to produce insights into the Australian labour market from Single Touch Payroll data.
- The changes in total wages and salaries paid by employers is not an indication of the underlying wage change as reported in the ABS' Wage Price Index (/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release) .
- To learn more about our different labour measures, their purpose and how to use them, see our new guide to Labour statistics (https://www.abs.gov.au/statistics/understanding-statistics/guide-labour-statistics/about-labour-statistics-guide) . It provides summary information on labour market topics including Industry employment (https://www.abs.gov.au/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide) and Earnings data (https://www.abs.gov.au/statistics/understanding-statistics/guide-labour-statistics/earnings-guide) .
- When reporting ABS data, the Australian Bureau of Statistics (ABS) must be attributed as the source.
- Access official, high-resolution images of ABS media spokespeople, including Bjorn Jarvis, from our new image library (https://www.abs.gov.au/media-centre/abs-image-library) .
- For media requests and interviews, contact the ABS Media Team via media@abs.gov.au (mailto:media@abs.gov.au) (8.30am-5pm Mon-Fri).
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Feedback